

# March 2024 OIG Work Plan Updates



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March was a busy month for new additions to the OIG’s Work Plan. Some of the items fit nicely into two broad categories which we’ve grouped together and summarized below. The selected items relate to (1) nursing homes and (2) medications.



## NURSING HOMES

In April 2023, Christi Grimm, the HHS Inspector General, stated: “You have heard me say that nursing homes are my top priority. Improving nursing home care for those who need it is front-of-mind for the OIG team.” (<https://oig.hhs.gov/newsroom/speeches/hcca-2023/>) It should come as no surprise then that we saw two new items related to nursing homes added to the OIG Work Plan in March.

### 1. Reporting of Nursing Home Falls

Various reports have highlighted CMS’ scrutiny on falls in nursing homes. For example, a recent report shared mixed results relating to falls of nursing home residents. (<https://www.cms.gov/files/document/2024-national-impact-assessment-report.pdf>)

The OIG is well aware that nursing homes participating in the Medicare and Medicaid programs are required to report resident falls in patient assessments. CMS then uses the information to determine the percentage of residents experiencing falls resulting in major injury. These percentages are posted on CMS’ Care Compare website to give consumers information about the relative performance of each nursing home. (<https://www.cms.gov/about-cms/what-we-do/nursing-homes/patients-caregivers/finding-nursing-home>)

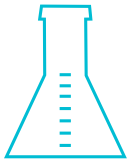
The OIG plans to study the issue of falls in nursing homes by assessing the accuracy of the patient assessment data used to calculate nursing home fall rates. Specifically, they will use claims data to identify hospitalizations due to falls with major injury among nursing home residents that are Medicare enrollees, including people who are dually enrolled in Medicaid.

Then, they plan to use patient assessments to assess the extent to which nursing homes reported those falls. OIG will examine the characteristics of the people who did not have their falls reported and finally, they will examine the characteristics of nursing homes that did not report falls among their residents.

### 2. Audit of Nursing Facility Drug Overdoses

The Centers for Disease Control and Prevention (CDC) reports that drug overdose deaths remain a leading cause of injury-related death in the United States. (<https://www.cdc.gov/drugoverdose/epidemic/index.html>). According to the CDC, more than 1 million Americans died from an overdose during 1999-2021, with 80,000 of those deaths occurring in 2021. They also report that people who have had at least one overdose are more likely to have another. For every drug overdose that results in death, there are many more nonfatal overdoses, each one with its own emotional and economic toll.

These reports obviously have the OIG concerned as they have added this audit of nursing facility drug overdoses to their work plan. They intend to determine whether selected nursing facilities complied with quality-of-care requirements and reported, investigated, and implemented corrective actions for potential illegal drug usage and significant pain medication errors involving opioid overdoses.



## MEDICATIONS

As most Americans are personally aware, medications are expensive. According to a recent news release by RAND, prescription drug prices in the United States are 2.78 times those in other countries. (<https://www.rand.org/news/press/2024/02/01.html>) It should come as no surprise then that the OIG has added three work plan items this month related to medications.

### 1. Effects of Vertical Integration on Medicare Part D

In December of 2023, CMS published an open letter to pharmacy benefit managers (PBMs) and various insurance plans. (<https://www.cms.gov/newsroom/fact-sheets/cms-letter-plans-and-pharmacy-benefit-managers>)

One of the concerns they expressed related to their observation of the increasing level of vertical integration that is occurring among plans, PBMs, and their own pharmacies. CMS believes this has the potential to result in anticompetitive behavior and place independent pharmacies at a disadvantage.

The OIG states that approximately three-quarters of Medicare Part D enrollees receive their prescription drug benefits through plans offered by five large companies. These large plan sponsors are vertically integrated operations affiliated with their own pharmacy benefit managers and, in many cases, their own mail-order and specialty pharmacies.

According to the OIG, Congress, the Medicare Payment Advisory Commission, and the media have raised concerns that vertical integration leads to higher prescription drug costs. With this in mind, the OIG plans to study existing pricing, payment, and rebate data to provide broader insight into the effect of vertical integration on Part D costs for both the Medicare program and its enrollees.

### 2. Audit of Diabetes Drugs

The OIG states that Medicare Part D spending for Ozempic more than tripled between 2020 and 2022, with expenditures jumping from \$1.5 billion to \$4.6 billion. Other diabetes drugs are experiencing similar growth and could overshadow Ozempic. Part D payments for a type 2 diabetes drug, such as Ozempic, for a use that Medicare does not cover as a medically accepted indication is not in compliance with Medicare requirements and presents

an opportunity for fraudulent, excessive, or unnecessary Part D payments.

OIG is well aware that drugs used for weight loss are specifically excluded from Medicare Part D coverage. With this background in mind, the OIG will perform an audit by obtaining Part D data for prescribed diabetes drugs and any related Part B service claims. Then, they will determine whether they were billed according to Medicare requirements.

### 3. Audit of Medicaid Select Diabetes and Weight Loss Drugs

OIG has observed trends in Medicaid utilization of select diabetes and weight loss drugs as those described above in item 2. OIG will also plan to audit use of these drugs in the Medicaid population. They plan to proceed by identifying national Medicaid utilization for these select diabetes and weight loss drugs and select one or more States to review.



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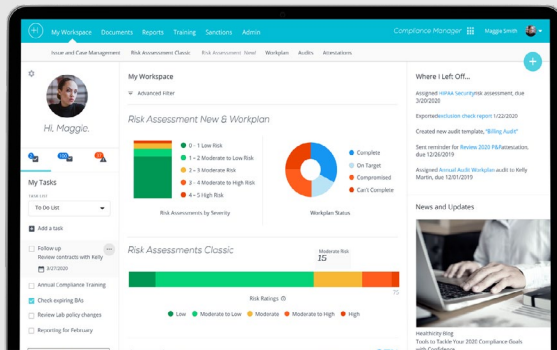
CJ Wolf is a healthcare professional with more than 20 years of experience in hospital and physician revenue cycle, practice management, compliance, coding, billing, and client services. He has provided healthcare consulting and solution services to hospitals and physician organizations throughout the country.





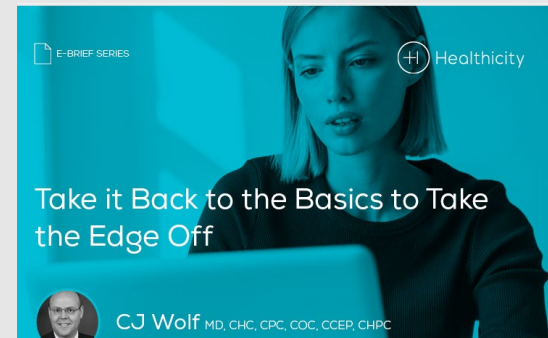
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